

Rule 2.47

Form 2.24B

The Insolvency Act 1986

**Administrator's progress report****2.24B**

Name of Company:  
Aaya Limited

Company number:  
06201976

In the: High Court of Justice  
Chancery Division

Court case number:  
234 of 2009

(a) Insert full name(s) and  
address(es) of the  
administrator(s)

I / We (a) David Paul Hudson and Nigel Geoffrey Atkinson, both of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT

administrators of the above company attach a progress report for the period

from / to

(b) Insert dates

(b) 12 January 2009 to 15 December 2009

Signed:

*[Signature]*  
Joint / Administrator(s)

Dated:

*5/1/2010*

**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

Begbies Traynor (Central) LLP	
32 Cornhill, London, EC3V 3BT,	
	Tel Number: 020 7398 3800
Fax Number: 020 7398 3799	DX Number:

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



David Paul Hudson and Nigel Geoffrey Atkinson appointed Joint Administrators on 12 January 2009

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as the Company's agents and without personal liability.

---

## **Aaya Limited (In Administration)**

---

### **Final Progress Report of the Joint Administrators pursuant to Rules 2.47 and 2.110 of The Insolvency Rules 1986**

**Period: 12 January 2009 to 15 December 2009**

---

### **Contents**

- ☐ Interpretation
- ☐ Statutory information
- ☐ Details of appointment of administrators
- ☐ Progress during the period
- ☐ Administrators' proposals
- ☐ Summary of steps taken during the administration
- ☐ Outcome
- ☐ Appendices
  - 1. Joint Administrators' account of receipts and payments, showing the outcome for creditors
  - 2. Summary of administrators' proposals, including major amendments to, and deviations from them
  - 3. Joint Administrators' time costs and expenses

---

## 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Aaya Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 12 January 2009
"the Joint Administrators"	David Paul Hudson of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT and Nigel Geoffrey Atkinson of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT
"the Act"	The Insolvency Act 1986
"the Rules"	The Insolvency Rules 1986
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(a), Insolvency Act 1986)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security and  (ii) in relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off). (Section 248(b), Insolvency Act 1986)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

---

## 2. STATUTORY INFORMATION

Name of Company	Aaya Limited
Trading name(s):	Aaya Limited
Date of Incorporation:	3 April 2007
Company registered number:	06201976
Company registered office:	66-70 Brewer Street, London, W1F 9TR

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of Joint Administrators:	David Paul Hudson, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT and Nigel Geoffrey Atkinson, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT
Date of administrators' appointment:	12 January 2009
Date of administrators' resignation:	N/A
Court:	High Court of Justice
Court Case Number:	234 of 2009
Person(s) making appointment / application:	The Directors
Acts of the Joint Administrators:	The Joint Administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency:	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000) applies to these proceedings which are '[main / territorial] proceedings' within the meaning of Article 3 of the Regulation.

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 12 January 2009 to 15 December 2009.

### Receipts

#### Fixed charge assets

An assignment of the Company's lease completed on 31 July 2009 and £251,537 was realised in this regard. This figure was apportioned to: the assignment of the lease, the premises, rent deposit refund, rent apportionment and interest on the client account as detailed in the attached receipts and payments account.

#### Floating charge assets

Other receipts include gross bank interest of £169 and a client account refund of £545. £972 was recovered as a surplus following the assignment of the lease.

### Payments

#### Fixed charge payments

*Secured Creditor:* Bank of Scotland PLC ("the Bank") was paid £154,831 in respect of their fixed charge leaving a shortfall of c.£1,728,512 to the Bank.

*Agent's fees:* Shelley Sandzer, property leisure consultants were instructed to handle the assignment of the lease, and their fees of £10,195 were settled in full.

*Legal fees:* Kennedys Solicitors assisted in assignment of the lease and their fees and disbursements of £27,350 and £243 respectively were settled in full.

*Other payments:* Other payments incurred during the assignment of the lease include the landlord's costs of £7,118, £1,000 for transferring the premises license and £328 in respect of the insurance premium.

#### Floating charge payments

A payment of £1,554 in respect of the Administrators' disbursements was made from floating charge realisations.

Other payments made from floating charge assets include £161 for storage costs, £34 in respect of tax deducted at source and a small amount of tax on bank interest.

### Administrator's Fees

As previously reported the Joint Administrators' remuneration is based on hourly costs at scale rates calculated on the time properly spent in the course of the administration and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the administration and they are authorised to draw disbursements in accordance with the explanatory note on the subject, which accompanied *The Report and Proposals of the Joint Administrators*. The relevant resolutions were approved by the secured creditor.

Total remuneration drawn in accordance with the above approval amounts to £49,500. Total time spent on this assignment amounts to 362.22 hours at an average composite rate of £198.50 per hour resulting in total time costs to date of £71,899. All remaining time costs have been written off as irrecoverable. The following further information as regards time costs and expenses is set out at Appendix 3:

- ❑ Begbies Traynor (Central) LLP's policy for re-charging expenses
- ❑ Begbies Traynor (Central) LLP's charge-out rates
- ❑ Narrative summary of time costs incurred and summary by staff grade and work activity

## 5. ADMINISTRATOR'S PROPOSALS

Attached at Appendix 2 is a summary of the Joint Administrators' proposals as deemed approved under Rule 2.33(5) of the Insolvency Rules 1986 in the absence of an initial meeting of creditors.

## 6. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

### Asset Realisations

Following an intense marketing of the Company's premises by Shelley Sandzer, the leasehold premises were successfully transferred to a well established operator on 31 July 2009 including all fixtures and fittings in situ and a premium of £200,000 realised. The assignee also agreed to take over the outstanding asset finance and came to a suitable arrangement with the secured creditor.

As previously reported, the landlord had a one year deposit in place, and following deductions in respect of outstanding rent and service charges, a small portion of the rent deposit totalling £26,833 was refunded.

### Investigations

As you may be aware, the Administrators have an obligation to report to the Department for Business, Innovation & Skills on the conduct of the directors of the Company. We have complied with our obligations in this regard.

### Dividend Prospects

There are insufficient funds to enable a distribution to preferential and unsecured creditors. However, a distribution to the secured creditor was made in respect of their fixed charge as detailed in the attached receipts and payments account.

## 7. OUTCOME

As the Notice accompanying this report confirms, once registered by Companies House (which we anticipate shortly), our appointment as Joint Administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed dissolved at the end of the period of three months from the date of registration of the notice (Form 2.35 B).

Name:

  
Joint Administrator

Date:

5 / 01 / 2010

---

JOINT ADMINISTRATORS' ACCOUNT OF  
RECEIPTS AND PAYMENTS, SHOWING THE  
OUTCOME FOR CREDITORS

---

Period: 12 January 2009 to 15 December 2009

# JOINT ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS, INCORPORATING OUTCOME FOR CREDITORS

Period 12 January 2009 to 15 December 2009

	Receipts & Payments to date £	Anticipated Receipts & Payments £	Final Outcome £
<b>ASSETS SPECIFICALLY PLEDGED</b>			
Assignment of Lease	199,999	-	199,999
Premises	1	-	1
Rent Deposit Refund	26,833	-	26,833
Rent Apportionment	24,665	-	24,665
Interest on Client Account	39	-	39
	<u>251,537</u>	<u>-</u>	<u>251,537</u>
<b>Realisation Expenses</b>			
Administrator's Fees	(49,500)	-	(49,500)
Agent's Fees	(10,195)	-	(10,195)
Legal Fees	(27,350)	-	(27,350)
Legal Disbursements	(243)	-	(243)
Landlord's costs	(7,118)	-	(7,118)
Premises License	(1,000)	-	(1,000)
Insurance of Assets	(328)	-	(328)
<b>Net Realisations</b>	<u>155,803</u>	<u>-</u>	<u>155,803</u>
Due to Bank of Scotland Plc	(154,831)	(1,728,512)	(1,884,315)
<i>Estimated Surplus (Shortfall) as regards Bank of Scotland Plc</i>	<u>972</u>	<u>-</u>	<u>(1,728,512)</u>
<b>ASSETS NOT SPECIFICALLY PLEDGED</b>			
Surplus as regards Bank of Scotland Plc	972	-	972
Gross Bank Interest	169	-	169
Client Account Refund	545	-	545
	<u>1,687</u>	<u>-</u>	<u>1,687</u>
<b>Payments</b>			
Administrators' Disbursements	(1,554)	-	(1,554)
Tax on Bank Interest	(0)	-	(0)
Tax Deducted At Source	(34)	-	(34)
Storage Costs	(99)	-	(99)
<b>Available for preferential creditors</b>	<u>NIL</u>	<u>-</u>	<u>NIL</u>
Arrears of wages and holiday pay	(4,114)	-	(4,114)
<b>Available for floating chargeholder</b>	<u>NIL</u>	<u>-</u>	<u>NIL</u>
<b>Summary of balances held</b>	<u>NIL</u>		

VAT, whose effect is neutral, has been excluded from the above account.



## SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

### **Proposals deemed approved under Rule 2.33(5) of the Insolvency Rules 1986.**

- i. The Joint Administrators take all necessary actions to preserve the value of the Company's assets and achieve maximum recovery of the company's assets.
- ii. The Joint Administrators continue to realise the assets of the Company for the benefit of the creditors and instigate any Court actions deemed of value to the Company and its stakeholders.
- iii. Once the assets have been realised, the Administrators will distribute amounts due to secured creditors and preferential creditors.
- iv. The Joint Administrators propose to make application to Court as they deem fit at any time for directions in relation to any particular matter arising in connection with the carrying on of their functions.
- v. The Joint Administrators investigate any antecedent transactions that may have detrimentally affected the Company's financial position.
- vi. The Joint Administrators may, where possible, make a distribution to any preferential creditors in accordance with the requirements of the Act, and if appropriate, may make an application to the Court for the payment of the unsecured creditors.
- vii. The Joint Administrators may exit the administration by way of dissolution, at such time as the Joint Administrators consider that one or more of the purposes of the administration as set out in paragraph 4 above have been achieved.
- viii. If the exit route is by way of a creditors' voluntary liquidation, it is proposed that David P Hudson and Nigel G Atkinson both of Begbies Traynor (South) LLP, 32 Cornhill, London, EC3V 3BT be appointed Joint Liquidators of the Company.
- ix. These proposals shall be subject to such modifications or conditions as the Court may approve or impose.
- x. That, if no creditors' committee is formed, fees be fixed in accordance with Rule 2.106 of the Rules by reference to time properly given by the Joint Administrators and their staff in attending to matters arising in the administration and may draw their remuneration on account as and when funds permit. They be remunerated on the basis of their hourly costs at scale rates, calculated on the time properly spent in the course of the administration and subject to full disclosure to creditors in accordance with Statement of Insolvency Practice 9 issued by the Joint Insolvency Committee on behalf of the administrators' licensing bodies. Remuneration drawn will be notified to any creditors' committee appointed under paragraph 57 of Schedule B1 to the Act, and they be reimbursed for their incidental expenses. In the absence of a creditors' committee, details of time incurred and

disbursements drawn will be reported to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of the administrators' licensing bodies.

- xi. That the duration of the administration be initially extended by 6 months to 11 July 2010, if required and extended further, if necessary.

## JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's policy for re-charging expenses;
- b. Begbies Traynor (Central) LLP's charge-out rates;
- c. Narrative summary of time costs incurred and summary by staff grade and work activity;

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance<sup>2</sup> requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear in Appendix 3.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed in Appendix 3.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 expenses (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 expenses (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 40 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 expense*) is charged on the basis that the number of standard archive boxes held in storage

<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

<sup>2</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

#### **BEGBIES TRAYNOR CHARGE-OUT RATES**

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the London office as at the date of this report are as follows:

<b>Grade of staff</b>	<b>Charge-out Rate (£ per hour)</b>
Partner 1	450
Partner 2	395
Director	375
Senior Manager	350
Manager	300
Assistant Manager	250
Senior Administrator	220
Administrator	180
Junior Administrator	150
Support	150

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME: Aaya Limited

CASE TYPE: Administration

OFFICE HOLDERS: David Paul Hudson and Nigel Geoffrey Atkinson

DATE OF APPOINTMENT: 12 January 2009

### 1 CASE OVERVIEW

- 1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case.
- 1.2 **Complexity of the case**  
Complexities of the case were in respect of the transfer of the lease.
- 1.3 **Exceptional responsibilities**  
None specific.
- 1.4 **The office holders' effectiveness**  
A transfer of the Company's lease and subsequent return to the secured creditor.
- 1.5 **Nature and value of property dealt with by the office holders'**  
A premium of £200,000 was realised following a transfer of the lease and other realisation in respect of this transfer as detailed in the receipts and payments account.
- 1.6 **Anticipated return to creditors**  
A return to the secured creditor (Bank of Scotland Plc) was made during the course of the administration. However, there were insufficient funds to allow a distribution to any other class of creditors.
- 1.7 **Time costs analysis**  
An analysis of time costs incurred between 12 January 2009 and 15 December 2009 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.  
  
The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only, but is not intended to be, nor should be viewed as an exhaustive list.
- 1.8 **The views of the creditors**  
Creditors have been kept apprised of matters during the administration by way of a progress report and by dealing with their queries as and when they arise.
- 1.9 **Approval of fees**  
Fees were agreed by the secured creditor at a capped level.

**1.10 Other professionals employed & their costs**

The Joint Administrators instructed Shelly Sandzer to deal with the disposal of the Company's assets. Their fees were agreed on a percentage basis of realisations and have now been settled in full.

The Administrators also instructed Kennedys Solicitors to assist with the transfer of the Company's lease. Their fees were agreed on a time cost basis and have now been settled in full.

**1.11 Staffing and management**

Appropriately experienced staff have undertaken tasks arising in the administration to ensure that matters were properly dealt with at the least cost to the estate.

**2 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT**

Since the date of our last report, the following work has been carried out:

- Ensuring compliance with professional standards; the handling of receipts and payments during the administration and day to day running of the administration.
- Dealing with statutory filings and reports.
- Dealing with the disposal of the Company's assets.
- Dealing with creditors' correspondence/claims
- Dealing with employee queries

**Time costs analysis for the period from 12 January 2009 to 15 December 2009**

[illegible]